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June 1959

TO: Assistant Director for Research and Reports  
FROM: Chief, Economic Research Area  
SUBJECT: Activity Reporty for the Month of May 1959

Current and Other Support Activities

1. During May, ORR support for OCI involved preparation of articles dealing with Sino-Soviet Bloc agriculture, the upcoming Soviet Central Committee Plenum, Sino-Soviet Bloc economic activities in the Free World, the Soviet census and planning apparatus and new developments in the Chinese Communist leap forward. Watch Committee support was heavily oriented towards developments relating to Berlin and Bloc activities in the Middle East which was also the subject of several contributions to NSC briefings.

2. Two support papers prepared during the month included; "The Significance of Soviet Sales of Aluminum and Tin to the Free World" prepared by M/FM for Senator Hartke and "Water Development in Communist China" prepared by M/FP for Senator Kerr.

3. I/GM submitted a critique of a position paper "Evidence of Soviet Missiles in East Germany" written by the Special USIB Committee on the Berlin Situation. Adequate time was not allowed for submission of the critique before publication and the article was released factually incorrect and misleading in tone. Steps are being taken to allow adequate time for review in order to prevent such situations in the future.

4. M/FP commented to the DD/I on a SRS/DDI memorandum containing a proposal for the West to exploit a scheme to provide liquified natural gas to the underdeveloped areas before such a program could be undertaken by the USSR. We did not believe the scheme had merit.

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25X1A9a Chief and Deputy Chief, D/I, and Messrs. [redacted] and [redacted] together with members of St/AM, briefed Mr. [redacted] Director, and Mr. [redacted] Inspection and Quality Control Staff, Office of Supply and Logistics, OSD, on the subject of inspection and quality control in Soviet industry. This briefing may lead to a request from OSI for intelligence support and a high level formal briefing on the subject.

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7. Chief, I/CM, briefed CINCPAC, General Partridge, [redacted] Steno and about 30 senior NORAD officers on "Soviet Guided Missile Production", and Mr. [redacted] I/CM, briefed the Army Intelligence School, Fort Holabird on "Collection of Information on the Production and Deployment of Guided Missiles".

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8. On 21 May, Mr. [redacted] Deputy Chief, D/S, briefed the Assistant Secretary of Labor, George C. Lodge, and labor advisers of the Department of State who are going as delegates to the BLO on the subject, "The Sino-Soviet Bloc Economic Offensive."

9. Chief, D/I, and Chief, I/AR, collaborated with members of ONE, OSI, and OGI in the preparation of an NSC briefing paper for the DCI on the "Current Status of Soviet Heavy and Medium Bomber Program."

10. Pursuant to a request to AD/RR from Admiral W. S. Delany, Deputy Director of MDAC, a requirement was prepared for [redacted] Information was requested as to participating countries' attitudes and intentions toward the forthcoming 1959 COCOM List Review in order to assist the MDAC community in developing the US position.

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11. S/ED furnished support to the Port Security Committee on a number of exception cases concerning the entrance of Bloc controlled vessels into US ports. The Russian vessel, IVAN MOSKVIN, bringing exhibit material to New York for the USSR exhibition, requested permission to transit the St. Lawrence Seaway in order to call at the Canadian port of Sarnia after its departure from New York. Permission for the voyage was granted under the exceptions procedure and conversations are being held [redacted] to develop a policy for the future treatment of Bloc controlled vessels desiring to use the Seaway.

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Research Planning, Program Support and Special Projects

[redacted] visited Washington for discussions with members of M/AG regarding the recently approved external research project on Communist Chinese Agriculture.

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13. Following through on the recommendation of the Agriculture Consultants Panel for a program to keep ORR analysts up-to-date on the latest technological developments in agriculture, three M/AG analysts will attend a two-week course in irrigation to be presented at Colorado State University, Fort Collins, Colorado.

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15. Exploration of the use of machine data processing in certain I/GM research has continued. As a result of recommendations by Mr. [REDACTED], 25X1A9a ORR representative to the OCR Committee on Data Processing, regarding the machining of certain special information on MINICARD, it has been decided to code one month's sample in the proposed MINICARD format. The "run" to be completed by the end of June, is expected to determine the feasibility of MINICARD in processing this kind of data.

16. During May some returns were received to a coordinated I/GM effort made through several collection channels to collect priority military information on May Day parades, not only in Moscow but a number of provincial centers as well. Although reports so far indicate a distinct Soviet effort throughout the USSR to exclude military hardware from these parades, a great deal of very valuable planning experience has been gained which will be useful in continued concerted efforts to exploit this type of collection program.

17. I/GM continued its support to EE Division, DD/P, in an attempt to improve the coordination and handling of reports of guided missile sightings in East Germany. A principal effort during the month was an exploration of [REDACTED]

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18. The tempo of [REDACTED] increased during May with some 35 source assessments received from the field, and five sources being briefed in Washington. Summaries of open material related to Soviet cities of GM interest are being prepared by D/GP and OCR/IR. These should prove [REDACTED]

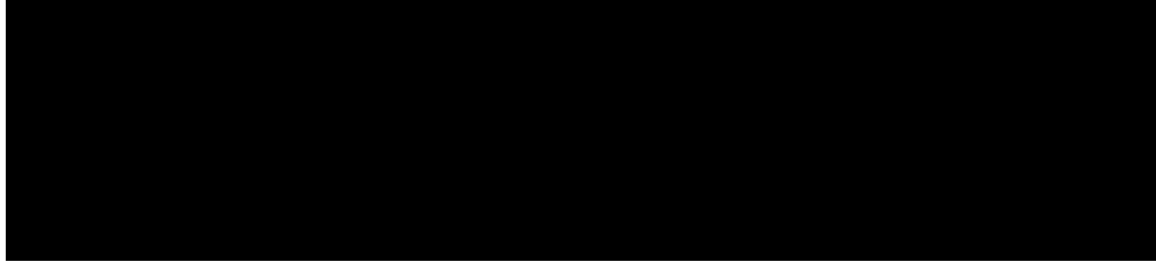
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19. The ORR ELINT Committee held its first meeting to outline objectives for special projects on the exploitation of information and familiarizing ORR on ELINT capabilities.

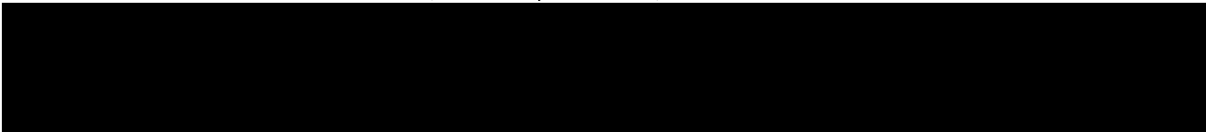
USIB Exchange Program

20. Work has continued throughout May on the USIB Exchange Program. Meetings for this purpose were attended by Chief, M/CH, who visited the



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21. Mr. [REDACTED]



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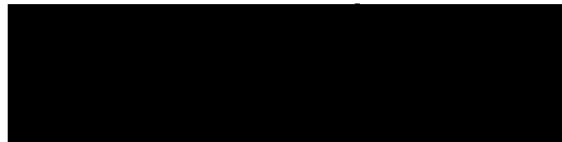
Miscellaneous

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22. Chief, M/FP, visited [REDACTED] for orientation and substantive discussions.

23. An intensive search has been made of all sources for information relating to the use of non-ferrous metals in the USSR guided missile program. The yield has been so slight, however, that a formal report will not result from this exploratory project.

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